

Corporate Net Income Tax Data 2021



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This research brief provides data from corporate net income tax (CNIT) returns filed for tax year (TY) 2021 with the Pennsylvania Department of Revenue. These data reflect (1) a CNIT rate of 9.99%, before Act 53 of 2022 phased-in lower rates to 4.99% by TY 2031 and (2) a net operating loss (NOL) deduction threshold of 40% of taxable income before Act 56 of 2024 phased-in an 80% ceiling by TY 2028.

The table separates tax returns into five groups based on tax liability for TY 2021. (Tax liability is prior to any applicable tax credits that may be applied separately.) The first column return count includes tax returns that reported negative net income or zero net income (likely because no income was apportioned to the state), and therefore had no tax liability. Notable results include:

- There were 33,284 returns that reported negative net income (included in first column). Firms reported \$25 billion in apportioned losses that could be used as future NOL deductions. However, those deductions could be applied when lower tax rates are in effect and would have less tax value than when the loss was incurred.
- There were 42,758 returns with tax liability, and roughly two-thirds (65.1%) reported tax liability under \$10,000.
- Returns with more than \$10 million in tax liability reported nearly one quarter (23.9%) of total liability.
- For all returns with tax liability, the average (sales only) apportionment factor was 3.5%. For negative net income firms, it was 5.3%. For all firms with a non-zero apportionment factor, the weighted average was 3.9% (not shown).
- On average, firms offset 12.4% of taxable income with an NOL deduction. That includes returns that did and did not claim a deduction. The deduction reduced tax liability by \$650 million (\$6.52 billion * 9.99%).

CNIT Tax Return Data TY 2021

	Negative or No Net Income	Tax Liability Group					Total
		1 to <10k	10k to <100k	100k to <1 million	1 to <10 million	10 million or more	
Number of Returns	57,655	27,852	10,171	3,936	751	48	42,758
Reported Net Income	-\$475.3	\$96.5	\$171.9	\$441.1	\$556.1	\$253.1	\$1,518.6
Apportioned to PA	-\$25.1	\$0.8	\$4.2	\$13.6	\$22.0	\$12.1	\$52.5
Avg Apportion Factor	5.3%	0.8%	2.4%	3.1%	3.9%	4.8%	3.5%
NOLs Claimed	n.a.	\$0.16	\$0.64	\$1.79	\$2.86	\$1.07	\$6.52
Taxable Income Offset		21.1%	15.5%	13.2%	13.0%	8.9%	12.4%
Tax Liability	n.a.	\$0.06	\$0.35	\$1.18	\$1.91	\$1.10	\$4.61
Share of Tax Liability		1.3%	7.7%	25.6%	41.5%	23.9%	100.0%

Note: Billions of dollars. Reported Net Income excludes \$85 billion reported by returns with no apportioned income.

Source: Tax returns filed with the PA Department of Revenue. Calculations by the IFO.